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**Insurance and Real Estate Committee  
February 18, 2014  
American Cancer Society Cancer Action Network Testimony**

**SB 11 - An Act Concerning The Duties of the Connecticut Health Insurance Exchange.**

Throughout the health care reform legislative process, ACS CAN has used the "cancer lens" to focus our efforts on achieving specific goals within the legislation. Now, after shifting to implementation of the law, we continue to use the "cancer lens" to guide all of our recommendations.

The Affordable Care Act ("ACA") required the creation of state-based health insurance exchanges for individuals and small businesses to purchase insurance by January 1, 2014. The Congressional Budget Office estimates that by 2019, exchanges will serve as a gateway for an estimated 29 million consumers to access coverage.

The single biggest barrier to access to healthcare remains affordability. While Connecticut's Exchange, Access Health CT, is among the stronger performing state exchanges in the country, Connecticut's premiums are the 4<sup>th</sup> highest in the country and higher than every other state based exchange.

The bill before you today, SB 11- An Act Concerning the Duties of the Connecticut Health Insurance Exchange, provides consumers a powerful tool by directing the Exchange to actively negotiate premiums with insurers to ensure better, more affordable rates.

Competition among insurers and the ability to negotiate rates result in reduced costs for purchasers. Larger pools of consumers provide for greater incentive for insurers to provide coverage and the exchange is expected to ultimately enroll hundreds of thousands of Connecticut residents. Smaller pools such as those in small businesses lack this negotiating strength and pay on average 18% more on health plans for their employees.

To best promote high quality care, innovative delivery system reforms, and for slowing the rate of growth of health care costs, Access Health CT should have the authority to be an "active purchaser" when negotiating participating health plans, as opposed to being required to allow every health plan that can meet the minimum requirements to participate. With this authority, the Exchange could use its

considerable market power and certification authority to limit exchange participation only to plans with a high level of quality and/or value when market conditions permit.

Access Health CT is critical to the success of health care reform in Connecticut. In order for cancer patients and their families to feel confidence and trust in their ability to access, choose, and purchase comprehensive health insurance that meets their needs, critical challenges related to the continued implementation and governance of the Exchange must be met.

The American Cancer Society Cancer Action Network stands ready and willing to work with the members of this committee other members of the Legislature and all stakeholders to make Access Health CT the strongest source of information and choices for Connecticut's consumers.

*The American Cancer Society Cancer Action Network (ACS CAN), the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society, supports evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. ACS CAN works to encourage elected officials and candidates to make cancer a top national priority. ACS CAN gives ordinary people extraordinary power to fight cancer with the training and tools they need to make their voices heard.*

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